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ABSTRACT

In the current competitive economy, with welfare reform underway and increasingly limited public resources, Colorado citizens deserve assurance that tax dollars are receiving a maximum return on investment for public expenditures for child care. This report examines the state of child care in Colorado. Part 1 presents information on 1998-1999 state appropriations for child care and other programs, discusses the importance of early intervention, delineates the benefits of high quality child care for children and parents, and profiles the state and selected counties with regard to child care supply, quality, affordability, and availability. This part also describes selected programs, included resource and referral services. Part 2 delineates the characteristics of quality child care, discusses tools for promoting quality, and describes model programs. Part 3 considers the affordability of child care, focusing on funding of services, the role of infrastructure, and the educare model. Part 4 discusses the accessibility of child care, describes the barriers to securing good care, and outlines how child care resource and referral provides and coordinates services and programs for children and families. Each of the four parts contains references. (KB)

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ED 430 726

CHILD CARE: AN INVESTMENT THAT WORKS FOR COLORADO

A Child Care Data Report

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Child Care: *(def.)* encompassing any care of children ages 0-12 for pay; early education: since children learn continuously during waking hours, all child care settings are considered educational environments.

1998
Colorado Office of
Resource & Referral Agencies, Inc.
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Introduction

Did You Know

In 1998...

Colorado will spend **37 times less** in General Funds on child care than on higher education.

Colorado invests millions of dollars in its children. In today's competitive economy, with welfare reform underway and limited public resources, Coloradoans deserve assurances that their tax dollars are being spent wisely with a maximum return on investment (ROI).

Are Colorado tax payers receiving a maximum ROI in children? What about public expenditures on child care? How are those dollars being spent and how does that investment fit into the larger picture?

This report is the first in a series that presents current data about child care in Colorado.

Where Do Your Tax Dollars Go?

	1998-99 Colorado General Fund Appropriations[a]	1997-98 Enrollment/ Demand	Appropriation per Participant
Child Care Colorado Department of Human Services	$14,516,869	200,294[b]	$72
K-12 Education Colorado Department of Education	$1,914,473,505[c]	687,167[d]	$2,786
Public Colleges and Universities Commission on Higher Education	$534,520,956	170,000[e]	$3,144
State Prison System	$353,762,518	12,000[f]	$29,480

The Academy believes that 'education' and 'care' are inseparable in the case of infants and preschool children...The latest research on brain development attests to the fact that early childhood care and learning cannot be separated, and that a child's environment and experiences in the earliest years of life have profound, life-long consequences. - James M. Poole, American Academy of Pediatrics, testimony before U.S. Senate committee on Labor and Human Resources, July17, 1997

Why is Child Care Important?

Child Care and Early Intervention

"Invest early" applies in many ways to children and families. A National Institute of Child Health and Development Study released in 1997 reported that at-risk children are at increased vulnerability to poor quality child care. For children at risk of not developing adequately due to lack of resources or problematic parental involvment, early intervention in the form of quality child care has been demonstrated to improve outcomes for children and families.

Success in the primary and secondary grades can improve dramatically through good child care and education programs. Current investment in K-12 will yield increased returns when accompanied with early intervention investments. Research shows positive program effects from many intervention models. For example, the High Scope/Perry Preschool Project demonstrated an ROI of $7.16 for every $1 spent.

Did You Know

"The influence of families on children's development is not significantly reduced or changed by extensive, nonparental care."

--The National Institute of Child Health and Human Development Study of Early Child Care, April, 1998

Benefits of High Quality Child Care [1]

For Children

- Decreased special education programs through age 19
- Increased high school graduation rates
- Increased earnings
- Decreased arrest rates
- Improved health-related indicators

For Parents

- Increased economic self-sufficiency
- Improved health-related indicators
- Decreased participation in welfare system

Child Care and Welfare Reform

Enabling parents to work must be one approach to child care. Getting recipient families employed and self-sufficient clearly cannot be accomplished if parents are unable to locate safe and stable child care. Low income mothers are more likely to enter and stay in the work force when their children are in a reliable setting.

Child Care and the State Economy

The majority of Colorado's young children now spend part of each week in child care. Long and short-term returns exist with increased contributions to the tax base and decreased use of public services. Quality child care services have a proven impact on increased productivity, increased tax revenues and decreased spending on social services.

...government investments in young children can yield substantial returns over the child's life. Given the importance of the early years for future development, if a link can be established between child care and developmental outcomes, arguments for government intervention in elementary and secondary education apply with even more force to the child care market.

--The Economics of Child Care: A Report by the Council of Economic Advisers, December, 1997

Colorado Profile

Did You Know

Colorado requires no licensing, formal education or training for teachers hired to work in a licensed child care center.

Colorado Children in Child Care[c]

Age 6 and under:	200,294

Supply of Child Care[d]

	Facilities	Slots
Licensed Operating Child Care Centers:	1385	86,694
Licensed Operating Child Care Homes:	5180	35,944
Licensed Operating Infant/Toddler Programs:	117	397
Total:	**6682**	**123,035**

(The total number of slots includes those made available to children of school-age)

In general, Coloradoans are slightly older, much better educated, more likely to be employed, and have incomes above the national average.

Population

	Colorado	U.S.
Population:	4 million	270 million
Median Age:	35.3	34.9
Population Under Age 6	354,787[b]	N/A
Children in Poverty[i]	17.2%	24.7%

Labor Force (population age 16 and over, 1995)

	Colorado	U.S.
Total:	73.8%	65.3%
Males in Labor Force	80.4%	74.4%
Females in Labor Force[j]	67.2%	56.8%
Unemployment Rate[k]	3.3%	5%
Children Age 0-6 Living with Working Parent[l]	70%	63%

Educational Attainment (Population Age 25 and over, 1995)

High School Grad or Higher:	91.3%	81.7%
College Grad or Higher:	33.3% *(1st in nation)*	23%

Income (1998)[m]

Median Household Income:	$50,941	$49,687
Per Capita Income:	$26,489	$25,837

Family Structure[n]

Single Parent Families:	21%	26%

When a parent calls me and asks 'how do I find quality child care', the only answer I can give is to join the Army.

–Donna Shalala, Secretary of U.S. Department of Health & Human Services

State At A Glance

- A 1995 study of Colorado child care centers found that only 6 % provide a high enough quality of care to fully meet children's developmental needs.
- The most recent study conducted in Colorado (1996) indicated that the staff turnover rates at child care centers is 41%. In contrast, turnover rates for public school teachers nationwide are only 6.6%. Child care providers are among the lowest paid workers in the state:

Comparison of Wages

Profession	Average Wage
center-based assistant	$5.66 per hour
center-based teacher	$7.27 per hour
average per capita in Colorado	$12.35 per hour
elementary school teacher	$17.03 per hour
correction officer/jailer	$13.73 per hour

Did You Know

The state of Florida has been able to substantially improve the quality of care available to families by:

- lowering teacher-to-child ratios in centers serving infants and toddlers;
- raising education requirements for child care providers;
- providing state funds to help child care workers obtain professional credentials

County Profile

Fremont County is participating in a *Consolidated Child Care Pilot Project* that develops an integrated approach to the funding and delivery of child care services for low-income or at-risk children. Community participants include the local child care resource & referral agency, center and home-based providers, the local family center, community college, public schools, county commissioners, county department of social services, human service agencies and families.

Goals are targeted toward a shared community vision, developed through collaboration, leveraged with shared resources and implemented by the stakeholders.

Project Innovations:

- Sought and received waivers from the State to increase the flexibility of the Colorado Preschool Program.
- Developed an action plan to encourage the involvement of local businesses in the planning and implementation process.
- Developed an action plan to create and fund a local satellite resource & referral office making resources more accessible to families and providers.

What's happening? Like well-intentioned gardeners, we have planted beautiful flowers - Head Start flowers, child care flowers, parenting flowers, but we have failed to nourish the soil - the infrastructure - in which flowers grow.

Sharon L. Kagan, Ed.D., Yale University, February 1998 National Governor's Association Meeting

Affordability

Child care expenses consume the second or third largest portion of the budget in many working parent households. For families least likely to have the resources, Colorado provides little support for this expenditure.

Did You Know

The U.S. Military operates one of the best child development systems in the world. Parents pay for only one-half of the cost of care, $65 per week on average. 10% of total family income is the target share for participating families.

State at a Glance

Child care rates rise significantly for more labor intensive and difficult to find care. This includes evening and weekend care as well as care for children under 2 years of age. Cost of care in Arapahoe County for children under 2 years old averages $6,708 or $129 per week. In resort communities like Eagle county, the cost of infant care averages $7,323 or $141 per week. These costs represent full-time care for one child in a licensed child care center.

Average Child Care Costs

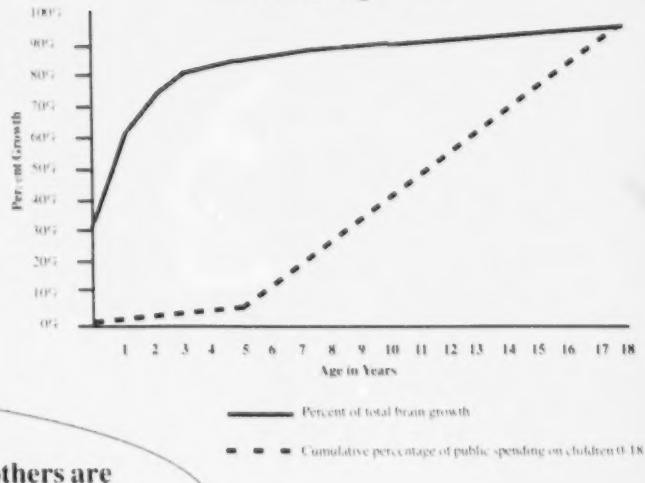
community	Annual Cost	Weekly Cost
Urban	$5,356	$103
Rural	$3,444	$66

County Profile

A Larimer County parent will pay about $2,900 for one child to attend full time at Colorado State University. Resources including reduced "in-state" tuition, Pell grants, Stafford loans, Roth IRAs, and tax credits are available to offset the high cost of college. The same parent will pay over $4,200 for one child to attend a child care program for one year.

Recent research demonstrates that by age three, a child's brain is 2 1/2 times as active as an adult's. Funding needs to be targeted to gain the highest ROI in educating children.

Brain Growth versus Public Expenditures on Children Ages 0-18[a]



As the price of paid care [becomes affordable], mothers are likely to substitute paid care for unpaid care. Such substitution is particularly likely given that parents tend to express more dissatisfaction with non-paid care.

-The Economics of Child Care: A Report by the Council of Economic Advisers, December, 1997

Availability

Colorado faces many challenges when attempting to meet the availability needs of Colorado's working families.

State At A Glance

- After school care is in severe shortage: In the 1993-94 school year, only one out of four public schools offered extended day programs. Self-care is common and occurs during the afternoon hours when juvenile crime peaks.
- Care for children with special needs is very difficult for families to locate, and virtually nonexistent for adolescent children with disabilities.
- In 1997, only one in twenty programs offered weekend care.
- Infant care is often difficult to locate, taking many families months to secure.

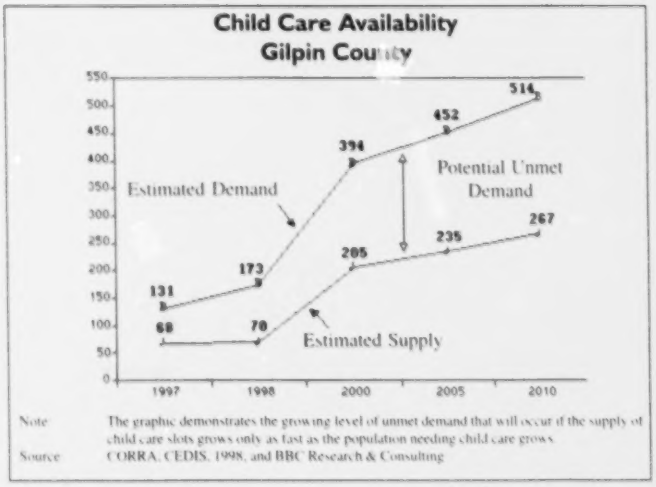
Did You Know

The creation of jobs for second and third shifts and weekends is one of the largest labor trends. Yet these hours are still among the least accommodated by child care service providers.

County Profile

Gilpin County has seen a substantial increase in children 0-6 years of age this decade. In 1990, there were 282 children in this age group; by 1998 the number rose to 360, an increase of over 27%. It is estimated that 173 of these children are currently in need of child care services. However, only 68 operating licensed slots exist.

The accompanying graph demonstrates that Gilpin County has exceeded its capacity of operating licensed child care availability by 2.5 times. Some of these parents use alternative care arrangements, such as relatives, license-exempt care, unlicensed (illegal) or self-care as a last resort.



Note: The graphic demonstrates the growing level of unmet demand that will occur if the supply of child care slots grows only as fast as the population needing child care grows.

Source: CORRA, CEDIS, 1998, and BBC Research & Consulting

Parents without flexibility from work or family appear to compensate by finding [or looking for] high caregiver flexibility...It appears that the quality of care parents find depends on the flexibility they possess in their work and family circumstances or are able to work out with their caregivers.

-Dr. Arthur Emlen, Portland State University

Resource & Referral

The Colorado Office of Resource Agencies, Inc. (CORRA) administers the statewide child care resource and referral (CCR&R) network. Rendered locally, CCR&Rs help communities develop diverse and comprehensive child care systems to serve all segments of the community. Activities include:

Supporting Families: Providing consumer education on existing options, while advocating parental choice that meets individual family needs. Working to develop supply in response to consumer demands.

Supporting Employers: Providing consultation and services to meet the needs of a specific work force.

Supporting Caregivers: Endorsing all forms of legal care with technical assistance, providing training opportunities and demand information.

Supporting Communities: Facilitating community partnerships, maintaining and analyzing data outlining local supply and demand, and coordinating advocacy and public awareness efforts involving child care.

Notes:

a source: *Fiscal Year 1998-99 Appropriations Report*, State of Colorado Joint Budget Committee
b employment-based demand for children ages 0-6 (does not include enrichment-based demand or demand for school-age care;
source: CEDIS, BBC Research and Consulting
c includes funds for Colorado Preschool Program, which serves 8,500 four and five year-olds on a part-time basis
d source: Colorado Department of Education
e source: Colorado Commission on Higher Education
f source: High Scope/Perry Preschool Project
g A link has been established; see *Investing in Our Children: What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions*, Rand Corporation
h CEDIS
i *Map and Track 1998 Edition, National Center for Children in Poverty*, Appendix B
j State of Colorado Web Site, Governor's Office of Business Development section: www.state.co.us/gov_dir/obd/facts
k State of Colorado Web Site, Governor's Office of Business Development section: www.state.co.us/gov_dir/obd/facts
l source: *1998 Kids Count Data Book*, Annie E. Casey Foundation
m Federal Register/Vol. 62, No 51
n source: *1998 Kids Count Data Book*, Annie E. Casey Foundation
o source: CORRA, BBC Research & Consulting; estimate based on employment needs only; does not include enrichment-based choices.
p source: CORRA
q source: *Children's Investment Prospectus*, Governor's Office of State Planning & Budgeting

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BBC Research & Consulting

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In the next report...

What is Quality Care?

Tools for Promoting Quality

Model Programs

CHILD CARE: AN INVESTMENT THAT WORKS FOR COLORADO

A Child Care Data Report

Part 2 of 4
Quality

Good Child Care: *(def.)* standard care; warm, responsive care provided by a well-educated and experienced caregiver in a stable, safe, stimulating environment; care where a secure attachment with a nurturing adult is developed and maintained, and healthy cognitive and social development is allowed to develop. Good-quality child care programs communicate effectively with families regarding the needs and strengths of their children.

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Introduction

Did You Know

Working and middle class Colorado families are the least likely to find good-quality child care. Low-income families fare slightly better, and high-income families fare much better.[1]

Colorado has one of the highest participation rates by women in the workforce in the nation. Working women contribute substantially to our economy and to their families' self-sufficiency. A good portion of these women have young children who need care while their mothers work.

The quality of care young children receive is critical to their later success in life: success in school, as working adults, in marriage, and as parents. Good-quality care provided through a secure attachment with a skilled and sensitive adult yields personal and public payoffs for years to come. Study after study shows that high-quality care promotes healthy:

- language development
- social skills
- behavior and impulse control
- empathy and moral development
- physical development

Currently in Colorado, there are over 200,000 children, ages 0-6, in some form of child care. There are at least an additional 75,000 participating in school-age care. It is clearly in our communities' best interest to learn about the care our children are receiving.

More and more decision makers in diverse fields are coming to believe that efforts to recast policy and reconsider the best use of public resources must begin with clearheaded thinking about young children's brains.

Rethinking the Brain: New Insights into Early Development, Families and Work Institute, 1997

What is Quality Child Care?

Did You Know

Child care licensing in Colorado is structured to set minimum health and safety standards, not level of quality. A good comparison is health and safety regulation in restaurants: Passing inspection has little to do with the cook's preparation of a good-quality meal.

The core of good child care is the **relationship** between the adult providing the care, and the child. Healthy brain development in young children, while in the care of others (as in parenting), depends on nurturing, responsive interactions between adult and child.

There is significant agreement among experts about the measureable elements of care that have an effect on quality (see Table 1). Note how many are directly related to the adults responsible for our children.

Elements of Care that Affect Quality[2]

Process Elements	Structural Elements	Adult Work Environment
Interactions between child and caregiver, including caregiver sensitivity, warmth, attachment, and involvement with children	Small group size (not less than 3 children recommended for family child care home)	Child care director's and caregiver's salary and benefits
Caregiver's positive attitudes toward children	Low adult-child ratio	Low annual turnover rates of caregivers and directors
Presence of developmentally appropriate learning activities	Caregiver's formal education (college level)	Caregiver's work satisfaction
Health and safety aspects of the child care environment	Caregiver's specialized training in child care	Caregiver's work commitment
Presence of appropriate furnishings, equipment, and curricular materials	Caregiver's previous experience in caring for children	Caregiver's positive perception of job

Table 1

Child care is more than just a way to provide safe and healthy settings for children while their parents work. High-quality care can serve to support and encourage families in the face of the increasing stress in their lives.

Dr. Marsha Weinraub, Professor of Developmental Psychology, Temple University

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Colorado Profile

Did You Know

State and county governments are the second largest purchaser of care in Colorado, after parents.

Model Programs

The *Cost, Quality and Child Outcomes in Child Care Centers Colorado Report* identifies five characteristics of centers that provide good-quality care for children:

1. Have higher adult/child ratios and more educated teachers
2. Pay higher wages
3. Comply with higher standards tied to quality (e.g. accreditation)
4. Receive additional revenue, which they use to improve quality
5. Have experienced administrators who work with the teachers to develop curriculum

Is good child care easy for parents in Colorado to find? Unfortunately, the answer is no. The *Cost, Quality and Child Outcomes in Child Care Centers Colorado Report*, released in 1996, indicates that it is extremely rare. Using many of the indicators on the previous page (table 1) to study center-based care across the state, researchers concluded that only six percent of care can be described as care that supports the developmental needs of children.

Based on national studies, care available to families in the form of family-based care is not much better.

The bulk of dollars being payed to providers is purchasing care that is inadequate and often harmful to children. Policy makers and parents, who often find these expenses a hardship, should question whether current expenditures are being wisely directed, in light of the long-term effects this care is likely to produce. An accompanying investment in quality is crucial.

One would not consciously spend thousands to purchase a poorly constructed home; why do we purchase care that is known to be substandard? An informed consumer looks at value, not just price. Our children are valuable. We ought to be caring for them that way.

County Profile

Jefferson County has 5,377 child care workers caring for 27,000 children. It is expected that 2,205 of these caregivers will leave their jobs this year. The children whose teachers leave will experience this as a personal loss. This pattern continues year-in and year-out. How many losses does this constitute for a child by the time s/he is ready to enter kindergarten?

In effect we are warehousing millions of children during their most formative years.

Rethinking the Brain: New Insights into Early Development, Families and Work Institute, 1997

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Tools for Promoting Quality

The majority of a child care center's budget is comprised of teacher wages. Herein lies the dilemma:

- the relationship between provider and child is the basis of quality;
- many parents feel they cannot budget for more child care expenditures;
- underpaid teachers leave their positions in high numbers;
- centers maximize their wage dollars by lowering their adult/child ratios.

Child care is an underfunded system in Colorado, lacking incentives to build quality care.

Did You Know

Colorado child care is not currently a market-driven system:

- caregivers work for less than market wages
- purchasers of care do not recognize and demand good quality care

Quality Toolbox

How can we invest wisely?

1 As a purchaser of care, the State and counties can attach dollars to the attainment of a higher standard, like accreditation.[3] With the *Colorado Works* law, a *differential reimbursement rate* is a county option. At the time of this printing, no county is using this option to build quality services for children.

2 As a regulator, the State can strengthen its licensing requirements. Adult/child ratios do not yet match NAEYC guidelines and formal educational requirements of teachers can be raised.

3 An articulated career ladder for child care providers can be established, which includes leadership training for center directors.

4 A coordinated, consistently available early childhood education degree system can be developed through the Colorado Commission on Higher Education.

5 County governments and employers can contract with their local resource and referral agencies to provide a variety of services (see page 5).

6 A true *system* of early childhood care and education can be established at the state and community level, to ensure that sufficiently funded, coordinated, quality services are available across Colorado to all families.

This is early chiidhood development by lottery - affecting all working families, not just low-income families.

Educate for Colorado's Future, Executive Summary, 1998

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Resource & Referral

CORRA system agencies work actively to build the quality of child care in Colorado:

T.E.A.C.H. Early Childhood® is a scholarship program, made possible with public and private funds, administered by CORRA, which allows caregivers to pursue formal education in early childhood.

- Since the spring of 1997, CORRA has provided scholarships to 214 recipients across the State.
- 53 child care providers have completed the program and are working in the field at higher wages as a result.
- There are currently 50 applicants on the waiting list.
- T.E.A.C.H. Early Childhood® has also been active in advocating for improvements in the higher education system, as recipients have met a variety of barriers in attempting to accomplish their goals.
- This program also serves as a general information clearinghouse on professional development and access to professional development resources.

CORRA and its system agencies contribute curriculum and connect providers to **Learning Options**, a web-based early childhood education university.

CORRA system agencies **provide training and information about other training opportunities** to caregivers.

CORRA system agencies provide **technical assistance to caregivers** regarding regulatory application and compliance processes.

CORRA operates **Healthy Child Care Colorado Resource Center**, facilitating joint efforts between the child care field and those working in child health.

CORRA system agencies provide **consumer education** to families looking for care, designed to help them identify elements of quality in specific settings, thereby increasing the demand for higher standards of care.

CORRA publishes and distributes a statewide **Training Calendar**, with information about educational opportunities available to parents and caregivers on child growth and development.

CORRA operates **Colorado Options for Inclusive Child Care**, offering resource brokering to all Colorado child care providers so they can skillfully include children with special needs.

CORRA system agencies are piloting the **Trustline**, connecting legally-exempt providers to background checks and training opportunities.

Notes:

1 Sandra L. Hofferth, "Child Care in the United States Today", *The Future of Children: Financing Child Care* (Los Angeles, CA, David & Lucille Packard Foundation, 1996) p. 56.

2 Suzanne W. Helburn and Carollee Howes, "Child Care Cost and Quality", *The Future of Children: Financing Child Care* (Los Angeles, CA, David & Lucille Packard Foundation, 1996) p. 65.

3 There are several well-respected accreditation programs for center-based and family child care. Contact CORRA or your local CORRA Partner for more information.

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For more information about building quality child care in your community, or for county-specific child care data, contact CORRA or your local CORRA Partner.

In the next report...

Affordability of Child Care

Funding of Child Care Services

The Role of Infrastructure

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CHILD CARE: AN INVESTMENT THAT WORKS FOR COLORADO

A Child Care Data Report

Part 3 of 4

Affordability

Affordable Child Care: *(def.)* good child care that does not place an unreasonable burden on a family's household budget; an expense that does not displace other core household expenses; an expense that does not produce significant debt for families; **opposite**: a prohibitive expense that requires families to purchase substandard service

Colorado Office of
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Introduction

Did You Know

A family with both parents working full-time at minimum wage earns only $21,400 per year.[1]

In the State of Colorado, there is little agreement about what *affordable* child care means. The lack of concensus seems to be based on dissonant beliefs about the care of young children: A recent survey revealed that 51.6 percent of Coloradans agree with the following statement: "When children are young, mothers should not work outside the home."[2]

For some, being able to purchase good quality care is purely a private matter, part of a set of choices made by individuals, something the general public should choose not to invest in. This group believes the market will respond to what families are willing to pay, or that extended family will step in and *babysit*. And when parents end up purchasing care that may be of questionable quality, it is their responsibility alone.

For others, helping parents access affordable care is seen primarily as a social responsibility, similar to other educational supports like K-12 public education, or financial aid which enables equal access to higher education. The benefits of a successful child care arrangement in a good, affordable setting are seen as a merit good; an investment that pays dividends to the larger community.

Between these two views is a gulf, one policy makers have found difficult to bridge. Meanwhile, parents are making choices, large numbers of children are being placed in the care of others, and the commitment of public resources has been building steadily.

On the one hand, Coloradans revere the primacy and privacy of motherhood and family...[they] value time spent with their children and emphasize the importance of stable, committed, nurturing care for children. On the other hand, Coloradans often dismiss the care of young children as mindless, custodial work...There is a general attitude that *anyone can do child care.*

--It's Time: An Early Care and Education Crisis.
The Colorado Commission on Early Childhood Care and Education

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What is Affordable Child Care?

Federal and State lawmakers have addressed affordability by appropriating funds to assist low income families in meeting child care costs. Federal guidelines on the use of funds allow for family eligibility of 85% of state median income. However, the State of Colorado, concerned in part about having enough money to meet-the demand, set eligibility limits lower.

Income Eligibility Limits Set by Lawmakers for Child Care Subsidies

	Minimum Income Set by State of Colorado	Maximum Income Set by State of Colorado	Maximum Income Allowed by Federal
	130% of Federal Poverty Level	*185% of Federal Poverty*	*85% of State Median Income*
3 Person Family	$17,749	$25,248	$36,372
4 Person Family	$21,388	$30,436	$45,587

Did You Know

The intentionality of the adult caring for young children is a key determinant of the quality of care they provide. Research has shown that caring for someone else's child(ren) only as a favor, rather than consciously choosing to do so, is correlated with lower quality care.

County Profile: Eagle County

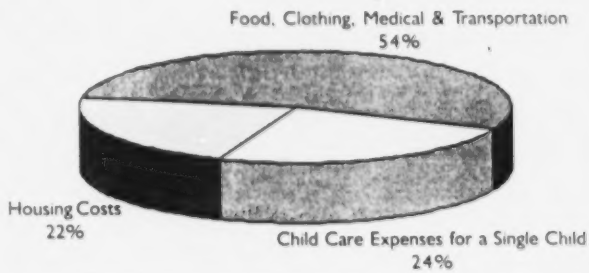
A family with both parents working full-time at minimum wage earns $21,400 per year. Approximately 19 percent of Eagle County households with young children and working parents fit into this income category.

Eagle county provides financial assistance for families earning up to 180% of Federal Poverty Level (FPL), in the form of a child care subsidy. So a family of three or more earning $21,400 per year qualifies for financial assistance:

1.8 X $13,656(FPL for a family of 3)= $24,580.

When the family earns slightly more, however, they lose this subsidy, and child care suddenly consumes 24% of their budget. After paying for housing and child care expenses, a family with a household income of $21,400 is left with only $11,400 to cover food, clothing, medical, transportation and other costs.[3]

Annual Household Income Diistribution for a Family Earning $24,581 per Year in Eagle County



Unfortunately, good quality care costs more than the majority of low-income, and even middle-income families can afford, leaving no alternative for many parents but to purchase substandard, hazardous, and unhealthful arrangements for their children

James M. Poole, MD, FAAP, American Academy of Pediatrics, Testimony before the Senate Committee on Labor and Human Resources, July 17, 1997

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Cost as Percentage of Household Income

What do Coloradans pay for child care? Is it affordable? Many policy makers (including the U.S. Military) use a figure near *10 percent of family income* as a target share when determining a reasonable cost. At which income bracket does child care become affordable in your community?

Estimated Percentage of Household Income Required to Obtain Child Care in Colorado Counties

County	Average Weekly Rate	Annual Cost Per Child	Percent of Household Income Spent on Child Care per Child $15,000	$25,000	$35,000	$50,000	$75,000
Adams	$75	$3,725	25%	15%	11%	7%	5%
Alamosa	$69	$3,450	23%	14%	10%	7%	5%
Arapahoe	$96	$4,778	32%	19%	14%	10%	6%
Archuleta	$69	$3,438	23%	14%	10%	7%	5%
Baca	$56	$2,783	19%	11%	8%	6%	4%
Bent	$50	$2,513	17%	10%	7%	5%	3%
Boulder	$111	$5,533	37%	22%	16%	11%	7%
Chaffee	$74	$3,689	25%	15%	11%	7%	5%
Cheyenne	$67	$3,344	22%	13%	10%	7%	4%
Clear Creek	$90	$4,500	30%	18%	13%	9%	6%
Conejos	$52	$2,600	17%	10%	7%	5%	3%
Costilla	$52	$2,600	17%	10%	7%	5%	3%
Crowley	$59	$2,938	20%	12%	8%	6%	4%
Custer	$75	$3,750	25%	15%	11%	8%	5%
Delta	$74	$3,688	25%	15%	11%	7%	5%
Denver	$87	$4,364	29%	17%	12%	9%	6%
Dolores	$50	$2,500	17%	10%	7%	5%	3%
Douglas	$100	$5,001	33%	20%	14%	10%	7%
Eagle	$120	$5,992	40%	24%	17%	12%	8%
El Paso	$82	$4,103	27%	16%	12%	8%	5%
Elbert	$74	$3,724	25%	15%	11%	7%	5%
Fremont	$62	$3,119	21%	12%	9%	6%	4%
Garfield	$96	$4,813	32%	19%	14%	10%	6%
Gilpin	$101	$5,050	34%	20%	14%	10%	7%
Grand	$94	$4,688	31%	19%	13%	9%	6%
Gunnison	$94	$4,679	31%	19%	13%	9%	6%
Hinsdale	$101	$5,050	34%	20%	14%	10%	7%
Huerfano	$79	$3,938	26%	16%	11%	8%	5%
Jackson	$88	$4,375	29%	18%	13%	9%	6%
Jefferson	$99	$4,960	33%	20%	14%	10%	7%
Kiowa	$55	$2,750	18%	11%	8%	6%	4%
Kit Carson	$58	$2,905	19%	12%	8%	6%	4%
La Plata	$78	$3,913	26%	16%	11%	8%	5%
Lake	$75	$3,750	25%	15%	11%	8%	5%
Larimer	$81	$4,055	27%	16%	12%	8%	5%
Las Animas	$56	$2,801	19%	11%	8%	6%	4%
Lincoln	$69	$3,427	23%	14%	10%	7%	5%
Logan	$80	$4,000	27%	16%	11%	8%	5%
Mesa	$77	$3,873	26%	15%	11%	8%	5%
Mineral	$60	$3,000	20%	12%	9%	6%	4%
Moffat	$89	$4,450	30%	18%	13%	9%	6%
Montezuma	$71	$3,547	24%	14%	10%	7%	5%
Montrose	$68	$3,410	23%	14%	10%	7%	5%
Morgan	$71	$3,534	24%	14%	10%	7%	5%
Otero	$60	$2,984	20%	12%	9%	6%	4%
Ouray	$68	$3,398	23%	14%	10%	7%	5%
Park	$85	$4,266	28%	17%	12%	9%	6%
Phillips	$81	$4,050	27%	16%	11%	8%	5%
Pitkin	$170	$8,500	57%	34%	24%	17%	11%
Prowers	$56	$2,877	19%	12%	8%	6%	4%
Pueblo	$79	$3,950	26%	16%	11%	8%	5%
Rio Blanco	$63	$4,138	28%	17%	12%	8%	6%
Rio Grande	$57	$2,850	19%	11%	8%	6%	4%
Routt	$96	$4,779	32%	19%	14%	10%	6%
Saguache	$52	$2,600	17%	10%	7%	5%	3%
San Juan	$73	$3,655	24%	15%	10%	7%	5%
San Miguel	$175	$8,750	58%	35%	25%	18%	12%
Sedgwick	$80	$4,000	27%	16%	11%	8%	5%
Summit	$110	$5,500	37%	22%	16%	11%	7%
Teller	$68	$3,389	23%	14%	10%	7%	5%
Washington	$67	$3,336	22%	13%	10%	7%	4%
Weld	$71	$3,554	24%	14%	10%	7%	5%
Yuma	$57	$2,853	19%	11%	8%	6%	4%

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Funding of Child Care Services

Government demonstrates a clear committment to supporting families when it comes to child care. Annually, over 40 billion dollars in federal funds are distributed nationally. The state of Colorado provides a match of about 14.5 million. As the chart below demonstrates, parents still bear a heavy portion of the costs.

The purpose for a focus on funding becomes clear when one compares the two charts on this page.

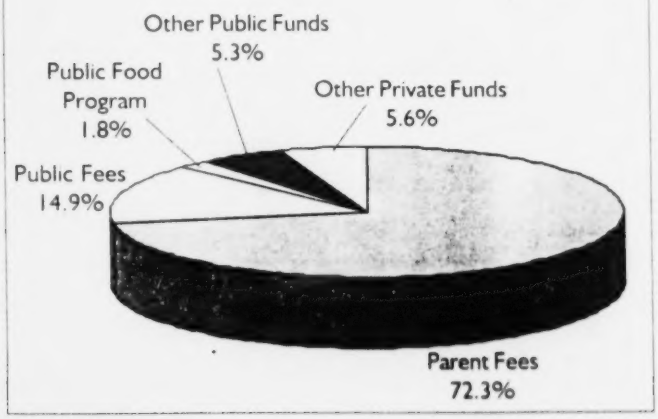
- It is the provider that can most influence higher quality care for our children
- It is provider wages that consume the biggest portion of a typical program's budget *(providers earn $7.27 per hour, on average, in Colorado, often with no benefits)*
- It is parents who contribute the lion's share to a typical center budget

Did You Know

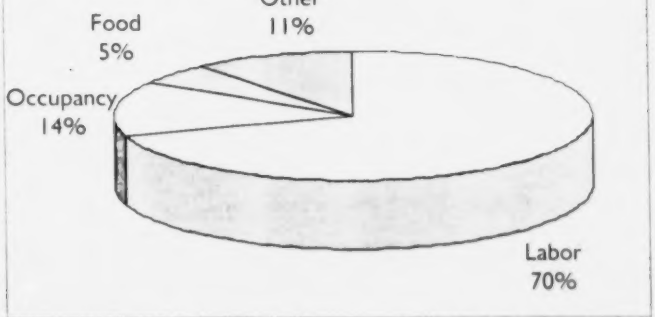
Public colleges and universities rely on tuition for only 18% of their total revenue. In private colleges and universities, tuition comprises an average of 42% of all revenue.[4]

Costs for parents are often too high...
Wages for providers are too low...
Funding from other sources can fill the quality gap

Revenue Sources of a Typical Child Care Center[5]



Budget of a Typical Child Care Center[6]



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The Role of Infrastructure

Did You Know

A typical family's standard of living would have decreased between 1979 and 1995, were it not for the participation of working wives. During this time period, where the wife was in the labor force, family income increased by 9 percent. Where the wife was not in the labor force, family income decreased by 11 percent.[7]

Who coordinates early childhood care and education resources and programs? Who coordinates...

- goals and priorities
- needs assessments and other data collection
- communications to consumers of child care
- professional development
- the distribution of funds
- quality standards
- the evaluation of outcomes?

No one, really. Federal child care dollars come from at least eleven different sources, each with its own eligibility requirements, monitoring systems and data collection systems. The outcome for working families is, "less than 40% of the $207 million available to Colorado to pay for these programs is compatible with a full-day, full-week, full-year work schedule."[8]

Fortunately, this lack of central governance at key junctures is being recognized, and innovative reforms are being built. In the past three years, several initiatives have taken root in Colorado:

- The Business Commission on Child Care Financing
- Consolidated Child Care Pilots
- Commission on Early Care and Education
- Early Childhood Education Quality Standards
- Provider Loan Fund
- Head Start State Collaboration
- Colorado Early Childhood Summit
- Educare
- Statewide Child Care Resource & Referral System

The reform of infrastructure has begun, but is not yet what advocates would call functional for Colorado families. To the extent that child care is still underfunded, the restructuring contributes to a competitive struggle between advocates to shape good policy.

An early childhood infrastructure is a coordinated, cohesive early care and education system, including funding, a range of appropriate choices for parents, consumer protection elements, such as well-enforced health and safety standards, professional development, ongoing dissemination of program information and evaluation.

--*Early Childhood Initiatives in the States: Translating Research into Policy*, National Conference of State Legislatures, June, 1998

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The Educare Model

Educare is a broadly-based, community-driven, privately funded, comprehensive plan for child care.

Educare has established a vision to create a universal early child care and education system in Colorado that:

- Provides high-quality, child-centered care,
- Involves parents as teachers and decision-makers,
- Is fully funded and permanently sustainable, and
- Is appropriately monitored and evaluated

State and community leaders behind the initiative developed a process that recognizes the complexities of building a functional system from the bottom up. The following four implementation steps have been identified:

- Parent-Public Education Campaign
- Improving the Quality of Existing Programs
- Establishment of Full Funding for Universal Care
- Evaluation

Educare will begin by raising the quality of care from substandard to good quality. Once that is accomplished and promoted via a star-rating system, a subsidy program will be implemented

The shapers of the Educare model believe that access to high quality care should be equitable for all Colorado families, not limited to those who can pay for it, as it exists now. They have calculated the full cost of quality care, identified the term *affordable*, and built a subsidy model similar to what exists for financing college for low-and - moderate income families.

Did You Know

Some child care programs in Colorado go for as long as three years without an inspection from their local licensing specialist (visit is always scheduled in advance).

The cost to raise the quality of early care and eduction in Colorado will be substantial. Current estimates peg the incremental cost of quality at an average of an additional $3,000 per child per year.

—*Educate for Colorado's Future*, Educare Colorado

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Resource & Referral

CORRA and its Partner agencies work actively with businesses and policy makers to advocate for families looking for affordable care.

CORRA Partner agencies refer families to all legally operating forms of care, and help problem solve when accessibility is restricted by cost.

CORRA Partners do not rate caregivers for quality.

CORRA Partner agencies help families determine if they are eligible for financial assistance for child care, and guide them through the application process.

Notes:

1 US bureau of the Census, Current Population Reports, p60-197, Money and Income in the United States: 1996 (Washington, DC: US Government Printing Office, 1997).

2 Urban Institute, National Survey of American Families, 1997 data, *Colorado Snapshot*.

3 BBC Research and Consulting and *Statistical Abstract of the United States*. It is important to note that households with lower incomes tend to spend proportioonately more of their incomes on housing costs. Thus, it is likely that families with an annual income of $24,581in Eagle County spend more than the 22 percent national average on housing costs.

4 *Preliminary Report from The Financial Aid Think Tank*, Minneapolis, MN June 29 - July 1, 1998

5 Helburn, S., ed. *Cost, Quality and Outcomes in Child Care Centers: Technical Report*. Denver, CO: Department of Economics, Center for Research on Economics and Social Policy, University of Colorado, 1995.

6 ibid

7 Bureau of the Census, Money Income in the United States: 1995 p60 - 193

8 National Governors Association, 1998. *Improving Services for Children in Working Families*. www.nga.org/Welfare/ChildrenCO.htm 2/10/99

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BBC Research & Consulting

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For more information about building affordable child care in your community, or for county-specific child care data, contact CORRA or your local CORRA Partner.

In the next report...

Accessible Child Care

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CHILD CARE: AN INVESTMENT THAT WORKS FOR COLORADO

A Child Care Data Report

Part 4 of 4

Accessibility

Accessible Child Care: *(def.)* a supply of good child care that meets the needs of families. Barriers such as transportation, cost, quality, ages of children accepted and hours of operation contribute to accessibility problems.

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Colorado Office of
Resource & Referral Agencies, Inc

CORRA

Introduction

Did You Know

Colorado law gives counties the flexibility to set child care provider reimbursement rates without any restriction.

Part three of this report identifies cost as a very real barrier to accessing good child care for many Colorado families.

When cost is recognized as a barrier and public support is provided through the Colorado Child Care Assistance Program or other means, accessing good child care becomes more likely for families. But good child care is still not easily found: the rates social services pay child care providers are often so low, that a large percentage of providers will not enroll children who receive subsidies. These child care providers are operating small businesses that, if recognized as a quality service, is in high demand. Why would they accept lower fees than they could realize in the free market?

In addition, a growing trend for Colorado counties is to use subsidy dollars to purchase slots with only a few local child care providers. In other words, if "Family A" needs financial assistance to pay for child care, they must place their children with providers 1,2, or 3, as prescribed by their local county government; providers 4 through 20 are not an option (providers 1,2 and 3 are often selected because they accept low fees, not because they have demonstrated consistent delivery of quality care). It is paradoxical that Colorado has identified parental choice within the public school system as a priority, yet the opposite course is being pursued in many communities for our youngest children. There may be a role here for State leadership.

Is Colorado's concept of parental choice *only* for those who can afford it? Should we hold it as a value for all of our citizens?

Imagine that the amount of financial aid a family can receive is related to the full price set by the program they choose for their child. Their choices are not limited to lower-price programs...

Preliminary Report from the Financial Aid Think Tank, Minneapolis, Minnesota, June 29 - July 1, 1988

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What are the barriers?

Other barriers to securing good child care include transportation, ages of children accepted, accommodation of children with special needs, and hours of operation.

In February, 1999, Children's Services, the Boulder, Colorado CORRA Partner, conducted a search for full-time care for a seven-month-old child. Out of 64 child care programs contacted in the Boulder-Longmont area, one full-time and four part-time openings were identified. With this kind of shortage, a choice based on quality indicators does not exist.

This parent was fortunate to have an employer who paid for an enhanced referral (a referral that includes a vacancy check). Most parents must use their own time to look for openings.

Did You Know

A recent national poll revealed that 70% of respondents with children younger than 6 years of age reported that finding affordable, good quality care was very difficult or extremely difficult.

1998 survey of 1013 households conducted by Child Care Action Campaign and Children's Defense Fund

My daughter has asthma and no facility or home wants the liability or responsibility of performing her nebulizer treatments.

Cheryl L. Greeley, Colorado

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Resource & Referral

Child care resource and referral (CCR&R) provides and coordinates services and programs that make child care work for families and communities. It is *the* proven structure for significantly impacting child care availability, quality and affordability.

Four core services, when cohesively linked, define CCR&R. The requisite links are:

Supply parents with child care information allowing them to make individual and informed decisions

- Provide services to families regardless of the type of child care chosen: centers, preschools, family child care homes, relatives and friends, or home-based caregivers
- Access to information via traditional methods and newer technologies

Collect data to assist parents in choosing child care and communities in building comprehensive child care systems

- compile, analyze and share information with parents, child care providers, employers and communities for public planning and program development

Build supply that supports families and children

Availability

- recruit and support child care providers
- assist in the start-up and expansion of businesses and services

Quality

- access to education and training for providers
- resource/toy libraries
- linkages to national accreditation systems
- technical assistance relevant to the healthy development of children

Affordability

- access to subsidized services
- collect data on the cost of care

Build community awareness and involvement

Employers

- assist employers in understanding and implementing family-friendly child care policies

Public

- be a source of information to media contacts
- collect critical and accurate data for child care policy development
- participate in community planning
- coordinate and facilitate local child care coalitions

For more information about building accessible child care in your community, or for county-specific child care data, contact CORRA or your local CORRA Partner.

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